GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:127
ANSWERED ON:30.11.2015
FDI in E-Commerce Sector
Mullappally Shri Ramachandran

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government has allowed FDI in e-commerce sector;

(b) if so, the details thereof;

(c) whether the Government has held any meeting or discussion with various States and industry representatives in this matter; and

(d) if so, the details thereof?

Answer

???????? ??? ?????? ???????????? (???????? ??????)(??????? ??????? ???????)
THE MINISTER OF STATE (INDEPENDENT CHARGE)
OF THE MINISTRY OF COMMERCE & INDUSTRY
(SHRIMATI NIRMALA SITHARAMAN)

(a) & (b): As per the extant FDI policy, FDI up to 100% under the automatic route is permitted in companies engaged in e-commerce provided that such companies would engage only in Business to Business (B2B) e-commerce. Further, it has been decided an entity will be permitted to undertake retail trading through e-commerce under the following circumstances:

i) A manufacturer is permitted to sell its products manufactured in India through e-commerce retail.
ii) A single brand retail trading entity operating through brick and mortar stores, is permitted to undertake retail trading through e-commerce.
iii) An Indian manufacturer is permitted to sell its own single brand products through e-commerce retail. Indian manufacturer would be the investee company, which is the owner of the Indian brand and which manufactures in India, in terms of value, at least 70% of its products in house, and sources, at most 30% from Indian manufacturers.

(c) & (d): The Government, with a view to simplify and liberalise FDI policy and to ensure that India remains increasingly attractive and investor-friendly investment destination, undertakes stakeholders consultations with concerned Ministries/ Departments, Apex Industries Chambers and other organizations. Consultations, in this regard, were held with the stakeholders including States and industry representatives.

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